VICTOR VALLEY COLLEGE

18422 Bear Valley Road, Victorville, CA 92395

FOLLOW-UP REPORT #5

This report summarizes resolution of the ACCJC Evaluation Team Recommendations 3 and 6 made on the basis of the April 16-17, 2014 site visit

March 13, 2015

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Certification of Follow Report #5

We certify that this Follow-Up Report #5 accurately reflects the nature and substance of the College with respect to the Commission recommendations it has been asked to address, and that there was broad participation in the preparation of this Report.

Signed:

Roger W. Wagner — Date: 3/12/15
Superintendent/President

Joseph W. Brady — Date: 3/12/15
President, Board of Trustees

Peter Maphumulo — Date: 3/4/15
Executive Vice President, Instruction and Student Services
Accreditation Liaison Officer

Claude Oliver — Date: 3/12/15
President, Academic Senate

Justin Gatewood — Date: 3/11/15
President, California School Employees Association Chapter 584

Amanda Monroy — Date
President, Associated Student Body

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Statement on Report Preparation

Members of the College's Accreditation Steering Committee (ASC) who worked on this report are listed below:

Tracy Davis	Tim Isbell
Jan Espinoza	Virginia Moran
David Gibbs	Peter Maphumulo (ALO)
Jessica Gibbs	Claude Oliver
Patty Golder (Editor)	Roger Wagner

In response to the letter from the Commission dated July 3, 2014, this team compiled the College responses to Recommendations 3 and 6 from the Follow-Up Report #4 and provided updated details to create Follow-Up Report #5.

The Board of Trustees adopted this report on March 10, 2015.

Responses to Team Recommendations and the Commission Action Letter

Team Recommendation 3: Student Learning Outcomes

Additionally, faculty and others directly responsible for student progress toward achieving stated learning outcomes should have, as a component of their evaluation, effectiveness in producing those learning outcomes. With regard to Recommendation 3, the team reports that Victor Valley College has addressed the first four sections of this recommendation and meets Standards 1. B.1-7, II.A.2.a-b, II.A.2.e-f,II.B.4, and Eligibility Requirement 10. However, the College needs to complete the final section of this recommendation and demonstrates that it meets Standard III.A.1.c.

Resolution and Analysis

Measures Taken to Address and Resolve Deficiencies Identified by the Commission above:

As noted above by the Commission in its Accreditation Action Letter dated July 3, 2014, Victor Valley College has completed the development of the student learning outcomes for all programs. At this point, the College has fully achieved the Proficiency Level and it is at the sustainable and continuous quality improvement stage. The attainment of the sustainable and continuous quality improvement status is supported by the following indicators:

- The College and the College Faculty Association recently reached an agreement to incorporate into the evaluation process the consideration of how results of the assessment process are used to improve teaching and learning. [R3-1, R3-2] It is worth noting that the College faculty fully embrace the Academic Senate for California Community Colleges' declaration that outcomes assessment is a productive activity that can improve teaching practices and thus improve student learning and that "faculty should engage in Student Learning Outcome (SLO) development and assessment not because it is a requirement for accreditation but rather because it is a good professional practice that can benefit programs and students" ("Guiding Principles for SLO Assessment," 2010). The agreement also shows that faculty maintain the primary and essential role of leading the development of SLOs and the assessment of their effectiveness. Additionally, the College is going to incorporate into the evaluation process consideration of how academic administrators and other personnel directly responsible for student learning use the results of the assessment of learning outcomes to improve teaching and learning. [R3-3; R3-4]

- Student Learning and Service Area Outcomes are in place and are consistently assessed. Program Review at Victor Valley College is a self-assessment by its programs used to promote institutional effectiveness and provide the basis for budget and resource planning and allocation. It is a systematic process for the collection, analysis, and interpretation of student enrollment data and outcomes assessment data at the course, program and institutional levels to produce the Program Review, Allocation, and Institutional Strategies for Excellence (PRAISE) report and the Annual Update(s). It is an instrument for identifying areas of change within its programs, and it is conducted to promote the effectiveness and relevance of instruction and the effective use of resources. These assessments are integral to the alignment of the programs' goals with the mission of the College for college-wide planning. Program review serves as the basis for institutional planning and resource allocation, outlined in Administrative Procedure 6200 [R3-5]. The program review reports feed a tiered system of prioritization for allocation through the dean/manager, vice president and Finance Budget and Planning Committee levels, ultimately culminating in a recommendation to the College President. This process experiences continuous improvement. For example, this year the Instructional Program Review Committee (IPRC) has developed Parcel Reports for use by the Academic Senate and Shared Governance bodies for their use in evaluation and recommendation processes in institutional planning. These parcel reports were developed from the importation of sections of the 2014 cycle of Instructional Program Review, both from the Annual Update (tracks A and C) and Comprehensive PRAISE (track B) reports. The Parcel Report highlighted here [R3-6] for illustrative reasons contain information about Program Effectiveness and Student Success from each Instructional Program that submitted their report to SharePoint for the 2014 Cycle [R3-7]. It is the goal of the IPRC that Parcel Reports are used to assist the Student Learning Outcomes and Assessment Committee (SLOAC) and other College units with their planning responsibilities. It is clear from this report that faculty are engaged in assessment at the course and program level and use results of assessment to continuously improve teaching techniques and modalities, course structure and curriculum overall.

- Non instructional service areas also assess and utilize results for continuous improvement. This is demonstrated by the 2014 cycle of non-instructional program review reports (in progress) [R3-8]. Additionally, as mentioned above, administrators and other personnel directly responsible for student learning use the results of the assessment of learning outcomes to improve teaching and learning [R3-3; R3-4].

- Learning outcomes are found on course syllabi [R3-9]. Furthermore, the College is in full compliance with the Commission's requirement that student learning outcomes for every active course, instructional, and student support programs must be assessed as shown in the Annual Assessment Report completed by the Student Learning Outcomes and Assessment Committee (2012-2013 Annual Assessment Report [R3-10]; 2013-2014 is currently in development and will be provided to the Visiting Team upon arrival). All courses have SLOs and assessment methods identified. As mentioned above, the cyclical program review process is designed to facilitate improvement through assessment, reflection and improvement at the course and program levels. At the foundation, improvement on the teaching and learning occurs at multiple levels. Faculty constantly reflect on the assessment results and use the results to modify curriculum, teaching modalities and pedagogy [R3-6]. Non-instructional programs use assessment results to improve the delivery of services to students and support student learning [R3-7]. With the full adoption of TracDat 5, the College will have a solution that will address a number of improvement efforts including: planning and assessment outcome analysis, better information gathering capabilities, reporting capacity, and multiple user capabilities [R3-11; R3-12]. In addition to being user friendly, TracDat 5 will also support program review, simplify training and increase planning efficiency by producing robust reports.

- Outcomes assessment data are discussed in many venues, including department meetings [R3-3] the College's Deans Council [R3-13], and SLOAC meetings [R3-11]. Victor Valley College's SLO assessment results are linked to the resources allocation process and the Master Plan [R3-14]. For example, the College is allocating an Associate Dean Position to the Student Equity and Success. This position will lead student equity planning, assessment and evaluation efforts to increase success of students and reduce identified disparities using college-based research by gender, current or former foster youth, students with disabilities, low income students, veterans, and students in ethnic and racial categories as defined by the US Census Bureau. The College supports SLO and assessment efforts by allocating resources such as Assessment Coordinators who are responsible for providing ongoing assistance to individual faculty and departments [R3-15].

Conclusion

The College has clearly met Standard III.A.1.c requirements. The evaluation of faculty and others directly responsible for student progress toward achieving stated learning outcomes have, as a component of their evaluation, effectiveness in producing those learning outcomes and consideration of how these employees use the results of the assessment of learning outcomes to improve teaching and learning. The College is now at the Proficiency Level as evidenced by the fact that the College now fully identifies student learning outcomes for courses, programs, certificates, and degrees. The college assesses student achievement of those outcomes and uses assessment results for continuous improvements and refinements of goals and outcomes.

List of Supporting Evidence

R3-1. CTA Tentative Agreement p. 4-5(Ratified 03/10/2015)
R3-2. AFT February 12, 2015 MOU p.1
R3-3. Deans' Meeting, March 4, 2015
R3-4. Confidential Deans-Faculty-Self- Evaluation (Special Password Required)
R3-5. AP-6200
R3-6. SLOAC-2014-Parcel Report
R3-7. Confidential Faculty Self- Evaluations (Special Password Required)
R3-8. Program Review Non- Instructional
R3-9. SharePoint: 2015SP Syllabi Folders
R3-10. SLOAC Report 2013-14
R3-11. SLOAC Minutes Meeting Minutes 10-24-2014
R3-12. Technology and Assessment Task Force Meeting Minutes 12-12-2014
R3-13. Department Meeting Minutes
R3-14. Master Plan
R3-15. SLO Coordinator Duties

Team Recommendation 6: Long-Term Fiscal Plans

In order to meet the Standards, the College should develop long-term fiscal plans that support student learning programs and services that will not rely on using unrestricted reserves to cover deficits. Additionally, the College should provide timely, accurate and comprehensive financial data and budget projections for review and discussion throughout the institution. (III.D, III.D.1.a, III.D.I.c, III.D.2.b, III.D.2.c, Eligibility Requirement 17)

Resolution and Analysis

Status of Plan to Reduce Deficit Spending
The college should develop long-term fiscal plans that support student learning programs and services that will not rely on using unrestricted reserves to cover deficits.

A review of the College's adopted budget vs. actuals for the past five years reveals that there is a relatively consistent pattern of "over budgeting" expenses in three principal cost areas: Salaries and Benefits, Supplies and Materials, and Operations and Services. Over the period 2009/10 through 2013/14, the actual expenditures in these areas were, on average, $2.78 million under budget. The range was as low as $200,000 and as high as $5.1 million. Four of the five fiscal years were adopted as deficit budgets and one as a balanced budget. The end of year actuals for the same timeframe shows that three of the five fiscal years the College ended with a positive ending balance and two years with a deficit (Table 1).

Revenues vs. Expenses (Actuals 2009/10 – 2013/14)				
	Revenue	**Expense**	**Impact**	**Ending Fund Bal**
2009-2010	$60,719,314	$58,957,096	$1,762,218	$11,055,997
2010-2011	$51,027,727	$48,522,030	$2,505,697	$14,808,728
2011-2012	$47,426,878	$49,864,830	$770,096	*$15,578,824
2012-2013	$45,762,097	$51,928,049	($6,165,952)	$9,780,208
2013-2014	$51,914,262	$52,166,585	($252,323)	$9,527,885

*Beginning fund balance adjusted from 2010-2011 ending fund balance.

Table 1. Revenues vs. Expenses 2009/10 – 2013/14

An analysis of budget years 2009/10 through 2013/14 does show that during each of these years there were anomalies in both revenues and/or expenses that account for part of discrepancies between the adopted and actual expenses as outlined in Table 2 [R6-1]. In any case, during the past five fiscal years the College has ended only two years with a deficit. Increased emphasis is being placed on developing the adopted budget by recognizing that there is a tendency to over budget expenses in some areas.

Analysis of "One-Time" Budget Anomalies					
	2009/10	2010/11	2011/12	2012/13	2013/14
Revenue	$60,719,314	$51,027,727	$47,426,878	$45,762,097	$51,914,262
In from GIC	($5,650,000)				
Cell Tower		($553,269)	($1,018,531)		
Solar Credits				($678,965)	
RDA Sale					($2,731,678)
Energy Credit					($768,772)
Adjusted Rev	$55,069,314	$50,474,458	$46,408,347	$51,928,049	$52,166,585
Expenses	($58,927,096)	($48,519,630)	($49,864,830)	($51,928,049)	($52,166,585)
OPEB Pmt	$6,500,000				
SERP Pmt	$2,418,268				
SERP Pmt			$464,606	$464,606	$464,606
OPEB Pmt				$800,000	
Adjusted Exp	($50,008,828)	($48,519,630)	($49,400,224)	($50,663,443)	($51,701,979)
Audit Adjustments			$3,208,048		
Actual Res/Def	$1,792,218	$2,508,097	$770,096	($6,165,952)	($252,323)
FTES	10238	10264	9639	9497	

Table 2. 2009-2014 One-Time Budget Anomaly Analysis

The College and its employee groups are aware of its unsustainable past budget practices given current and future financial limitations. The College has been successful in negotiating solutions with both the Classified School Employees Association (CSEA) and the California Teachers Association (CTA). An early retirement incentive has been extended to both Associations as well as the management and confidential Meet and Confer Group [R6-2,R6-3]. This negotiated solution will bring an estimated $300,000 savings in the first year as outlined in Table 4 [R6-4]. In addition, the CTA has agreed to new summer compensation rates for the full-time faculty as well as agreeing to conduct Student Learning Outcomes Assessment as part of their assigned duties. [R6-5] Combined, these two concessions will save the College an estimated $404,000 in fiscal year 2015/16. The terms of the agreement will provide for additional savings for summer compensation of $180,000 in fiscal year 2016/17 and $90,000 in fiscal year 2017/18 [R6-6]. Finally, a reorganization of instructional departments was proposed by the CTA resulting in an additional annual savings of $90,000 as outlined in Table 3 [R6-6].

Negotiated Budget Solutions	
Initiative	**Savings**
Reorganization of Instructional Departments	$90,000
Early Retirement Incentive (Faculty)	$221,500
Early Retirement Incentive (Classified)	$50,640
Early Retirement Incentive (Management/Confidential)	$30,672
Faculty Compensation	$298,000
Total	$690,812

Table 3. Estimated savings to the College for negotiated budget solutions

In addition to the negotiated solutions, the College will need to make some cuts to its operational budget. The College's contingency fund has been reduced from $300,000 to $200,000 and contractual services and supplies have been reduced by $150,000 [R6-7]. Furthermore, the Other Post-Employment Benefits (OPEB) obligation, which has in the past been made from the general operating fund, will be supplemented with interest earnings from the Futuris Public Entity Investment Trust. The account earns approximately $150,000 in interest annually. $75,000 of the interest is used to pay the account portfolio management fees, and the remaining $75,000 will be used to pay existing OPEB obligations. [R6-8].

The College is actively engaged in negotiations with employee associations to address the rising cost of employee health benefits. Due to the anticipated release of health care rates for fiscal year 2015-2016 by the end of March 2015 all parties involved have agreed to wait until projected costs are available. Options discussed for savings to the college in this area include a potential cap on health benefits; employees paying a percentage of health care costs; remaining with the current composite rate; moving to a tiered health benefits rate. The Health Benefits committee is actively working with the College to investigate current and alternative health care providers and plans that will result in increased savings to the College and minimize the impact on its employees. Once health care rates are released to the College, employee Associations have agreed to the immediate reopening of the health benefits sections of their contracts to continue negotiating this important component of fiscal stability for the College. Should the health care rates be released earlier than the end of March 2015 and agreements have been reached with the employee Associations, an addendum will be added to this report [R6-9; R6-10, R6-11].

The implemented budget solutions along with planned cuts and contingencies are outlined below. In addition, a recovery plan is presented that represents the College's plans to backfill any short-term cuts that are required for a sustained balanced budget. Finally, increased emphasis is being placed on developing the adopted budget with greater detail given to current and anticipated staffing patterns as well as an examination of prior year(s) spending patterns.

The College has developed a long-term fiscal plan that supports student learning programs and services and does not rely on using unrestricted reserves to cover deficits. The four-phased approach includes the following:

1. Phase I, Plan "A": Immediately stop the development and adoption of deficit budgets (fiscal year 2015/16).
2. Phase II, Plan "B": Identify fiscal year and implement backfill strategies if adopted budget falls into a deficit.
3. Phase III: Implement strategic initiatives designed to backfill cuts required to have a balanced budget.
4. Phase IV: Establish a taskforce charged to evaluate the total cost of operations of VVC as compared to other California community colleges of similar size, scope, and operations. Establish a taskforce charged to evaluate recommendation from FCMAT, Cambridge West, Inc. and past ACCJC reports.

Phase I: Budget Plan "A" (Beginning July 2015)

The College has developed and the Board of Trustees has approved a proposed tentative budget for fiscal year 2015/16 that is balanced and does not include the use of its unrestricted reserves. The budget was balanced by making the following short and long-term adjustments:

EXPENSES (Non-negotiable):

• Contingency fund reduction	$100,000
• General expense reduction (contractual services/supplies)	$150,000
• OPEB Payment (shift to interest from Futuris Investment Account)	$ 75,000

EXPENSES (Negotiable)

• Reorganization of Instructional Programs (negotiated CTA)	$ 90,000
• Early retirement incentive (negotiated CTA)	$221,500
• Early retirement incentive (negotiated CSEA)	$ 50,640
• Early retirement incentive (meet and confer)	$ 30,672
• Faculty Compensation (negotiated CTA)	$288,000

Savings From Early Retirement Incentive			
	Faculty	**Classified**	**Managers/Confidentials**
FISCAL YEAR 2015/16	$221,500	$50,640	$30,672
FISCAL YEAR 2016/17	$199,350	$41,568	$20,736
FISCAL YEAR 2017/18	$177,200	$31,776	$10,560
Savings From New Faculty Compensation Formula			
FISCAL YEAR 2015/16	$288,000		
FISCAL YEAR 2016/17	$380,000		
FISCAL YEAR 2017/18	$456,000		

Table 4. Extrapolated retirement and compensation savings

REVENUE:

- Release of Guaranteed Investment Contract Interest* $1,400,000
  (* ten years of guaranteed interest income outside of the Districts reserves that extends through 2024)

The adjustments outlined above are reflected in the 2015/16 Proposed Tentative Budget, see Table 5, Four-year Revenue/Expenditure Projections (unrestricted general fund).

Phase II: Budget Plan "B" (Implemented as necessary to maintain 2015/16 balanced budget beginning July 2015)

EXPENSE: (Non-negotiable)

- Reduction of Employee Substitution budget $79,000
- Reduction of Short-Term Employee budget $87,000
- Reduce Travel/Training Budget $68,000
- Hiring Frost TBD/as required

EXPENSE: (Terms and conditions negotiable)

- Step and Column Freeze $200,000
- Furlough Days (Daily rate) $ 52,000
- Reduction in Force TBD/as required

Phase III: Implement initiatives designed to restore non-negotiated cuts.

- Improve operational efficiencies.
  - Invest one-time instructional equipment funds in classroom furnishings that increase capacity (by June 2015)

    - Implement Schedule 25 (course and classroom management software-by June 2015)
- Improve student retention
    - Additional Counselors (Implemented January 2015)
    - Centralized Tutoring Services (by Summer 2016)

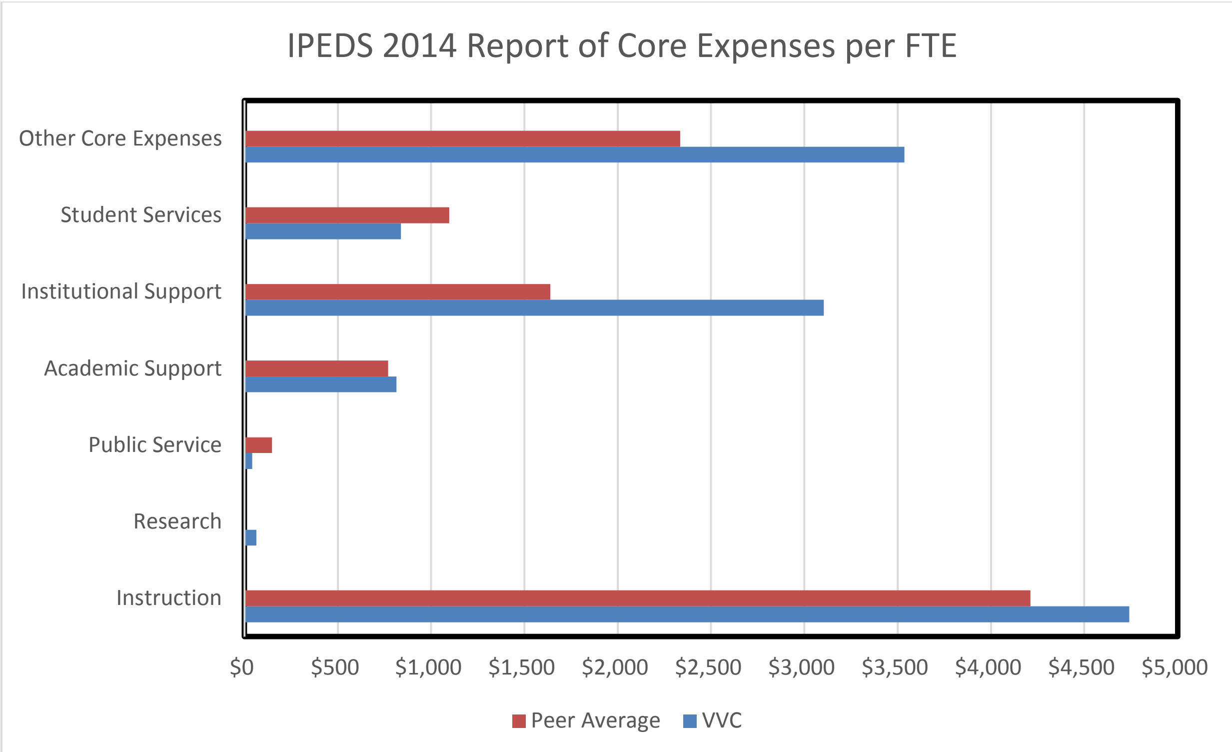
Phase IV: Taskforce (February 2015)

- Total Cost of Operations Taskforce [R6-12]
    - Assemble a taskforce to examine the College's Total Cost of Operations as compared to other California community colleges of similar size, scope, and operations based on the IPEDs data feedback report [R6-13].
- Consolidated Reports Taskforce [R6-14]
    - Fiscal Crisis & Management Assistance Team (FCMAT) [R6-15]
    - Cambridge West Curriculum and Enrollment Management Report [R6-16]
    - Past ACCJC Visiting Team reports to the College [R6-17, R6-18]

While the College has committed to adopting and complying with a balanced budget, it has also committed to identifying ways to backfill the cuts that are necessary to achieve a balanced budget. Recommendations coming from an April 2013 Fiscal Review conducted by the FCMAT, April 2014 ACCJC Visiting Team, the October 2014 Cambridge West Curriculum and Enrollment Management Report, and the 2014 IPEDS Data Feedback Report will become the basis for a number of operational, fiscal, and cultural changes at the College.

The College acknowledges that there is a fiscal imbalance between its revenues and expenditures. It has made the commitment to stop the adoption and implementation of deficit budgets and will now shift its efforts to identify ways to increase operational efficiencies, including its total cost of operations. Each of the reports identified above offers guidance and insight as to how and what approach might be taken to improve its fiscal condition. In some cases the recommendations seem to offer contradicting solutions. What may be the most telling of the reports is the IPEDS report from 2014. In comparison to 14 other peer (California) community colleges, the College's total cost of operations is 41% higher than its peer group average.

In February of 2015 the Superintendent/President convened a taskforce that is charged with the examination of each of these reports by making recommendations to the Superintendent/President as to which of these recommendations have or lack merit. A second taskforce has been charged to look specifically at the seven indicators from the IPEDS Report. Of the seven benchmarked expense functions in the IPEDS report, the College exceeds the peer group's average in five of the seven areas. The two areas where the College spends below its peer group average are student services and public service. The average cost per FTE for the peer group is $9,299 compared to the College's cost of $13,139.



- IPEDS REPORT PEER COLLEGES
  - Antelope Valley College
  - Barstow College
  - Chaffey College
  - Citrus College
  - College of the Canyons
  - College of the Desert
  - Crafton Hills College
  - Glendale Community College
  - Los Angeles Harbor College
  - Mt. San Jacinto Community College
  - Ohlone College
  - San Bernardino Valley College
  - Sierra College
  - Solano Community College

Timelines have been established for each taskforce and are outlined below:

Consolidated Reports Taskforce

▪ Taskforce identified	Feb-15
▪ Meets and establishes goals and meeting schedule	Mar-15
▪ Identifies representative to College Council	Mar-15
▪ First substantive report to College Council	May-15
▪ Report to Superintendent/President	Jun-15

Total Cost of Ownership Taskforce

▪ Taskforce identified	Feb-15
▪ Meets and establishes goals and meeting schedule	Mar-15
▪ Identifies representative to College Council	Mar-15
▪ First substantive report to College Council	Jul-15

The college should provide timely, accurate and comprehensive financial data and budget projections for review and discussion throughout the institution.

- The College has taken steps to provide accurate and comprehensive financial information to the campus community: The College has historically provided regular updates in regard to the budget to the campus community and to the public in a variety of venues. The Chief Financial Officer has conducted public Budget Workshops at the Board of Trustees meetings [R6-23], and the College makes public its financial documents via the College Website [R6-19]. Beginning in October 2014, in addition to the monthly budget reports at the Board of Trustee meetings, Fiscal Services has developed and deployed a budget report that is shared on a monthly basis to all employees. Budget information has been sent out to the campus community from the College President via e-mail [R6-26; R6-27, R6-28]. These budget reports are also available on the College website on the Budget Office webpage: [R6-19]. The report detail adopted revenues and expenditures by object code. The reports show activity to date, adjustments, percent spent, and remaining balance. The reports also include a graph that depicts expenditures as compared to budget. Any changes in known or anticipated revenue or expense changes are reflected in the report as adjustments and are then reported as "Revised Budget."

- Additionally, the Finance, Budget and Planning Committee (FBPC) continues to meet and provide representative oversight to budget allocations and enhancements: [R6-20]. Augmentation requests follow the College's integrated planning process (BP and AP 6200) that, based on available funds, considers needs as demonstrated through the program review (PRAISE) process [R6-21]. Once allocated the outcome is published to the campus community as part of the Superintendent/President's Campus Update by campus email.

- In January and February 2015, the Superintendent/President held a series of seven open forum budget briefings. The briefings outlined the actions required to ensure the adoption of a balanced budget for 2015/16 [R6-29].

SPECIAL RESPONSE: (Bond Oversight – Board of Trustees adherence to ER 21)

In July of 2014, Victor Valley College received a letter from the Commission regarding a letter received by the Commission from two members of the Victor Valley College Citizens Bond Oversight Committee regarding Board Policies [R6-22].

The subject of the letter "Bond Oversight – Board of Trustee adherence to ER 21" states that the letter will be provided to the March 2015 Follow-Up evaluation team. The two member's complaint is rooted in the Board's decision to not adopt two board polices that were referenced in the 2014 Visiting Team Report. There were actually three policies that were considered for adoption [R6-23]:

1. Proposed Board policy BP2515, *Use and Distribution of the Guaranteed Income Contract Fund ("GIC")*
2. Proposed Board Policy BP2520, *Percentage of Budget Committed to Salary and Benefits*
3. Proposed Board policy BP2525, Percentage of Budget Committed to Classroom Instructional Employee Salary and Benefits

To the complainants point it is true that the three polices were in fact accepted at first read and then were not adopted by the Board at the second read. The Board of Trustees commissioned a study of the merits of the policies to Cambridge West, Inc., who at the June 2014 Board meeting reported that the adoption of two of the three policies were counter-productive to the College's goal of closing a budget deficit gap. Based on this report the Board chose not to adopt BP 2520 and 2525. The Board's intentions were sincere in that they were committed to the adoption of these policies up to the time that the report was received from Cambridge West, Inc.

The Cambridge West, Inc. report addressed the two proposed polices independently and made the following observations/recommendations which were the basis for the Board of Trustees decision to not adopt them:

- *Board Policy 2525 – Percentage of Budget Committed to Classroom Instructional Employee Salary and Benefits: "This proposed policy could prevent the new Superintendent/President from achieving the goal stated in the job announcement. As written the policy could seriously hinder the institution's ability to address its Strategic Goals, maximize access to its instructional programs, and its commitments to the ACCJC related to planning and student success. Additionally, it could inadvertently cause a downward spiral of revenue that would be devastating to the achievement of the college's Mission, Vision and Objectives."*

- *Board Policy 2520 – Percentage of Budget Committed to Classroom Instructional Employee Salary and Benefits: "In conclusion, CW/P recommends that the proposed policy not be modified for further consideration. This proposed Board policy poses exactly the same challenges and could lead to exactly the same unintended consequences as BP2520, Percentage of the Budget Committed to Salary and Benefits. Additionally, this proposed policy really does not directly address the ultimate expenditure management goals of the district. If the Board determines that a Board policy is required related to the 50% Law, CW/P recommends that is be simply worded to agree with the California Education Code and that it not contain any maximum percentage amounts. The district's 50% Law percentage will fall more in line with the rest of the state's community colleges without any specific policy if the district addresses the core elements of the structure deficit as recommended by FCMAT and in this report."*

- *Board Policy 2515 - **Use and Distribution of the Guaranteed Income Contract Fund ("GIC"):** This policy was adopted at the February 10, 2015 Board of Trustees meeting. While the letter from the complainants contend that the College's investment account is a restricted fund and cannot be used for general operating expenses, the College has contended and continues to contend that this is not the case. The investment account has no relationship to the Measure JJ Bond Funds. The Measure JJ Bond Funds have been subjected to annual audits as required by law. The audit completed in December of 2014 was an unqualified audit with no findings [R6-24, R6-25].*

Victor Valley Community College District
2015/16 PROPOSED TENTATIVE BUDGET
Unrestricted General Fund
Board of Trustees Meeting - March 10, 2015

	Adopted Budget 2014-2015		Proposed Tentative 2015-2016		Estimated Budget Year 2016-2017		Estimated Budget Year 2017-2018	
BEGINNING FUND BALANCE	$9,527,885		$2,794,688		$2,798,955		$3,270,698	
ESTIMATED REVENUES								
State (Apportionment)	$29,080,722		$30,116,933		$30,418,102		$30,722,283	
State (Apportionment) Prior Year Recalc	$0		$0		$0		$0	
Educational Protection Act (EPA)	$7,729,666		$7,845,611		$7,963,295		$8,082,745	
State (All Other)	$1,934,989		$1,934,989		$1,934,989		$1,934,989	
Local (Property Tax included)	$9,732,665		$9,732,665		$9,732,665		$9,732,665	
One-Time Revenue	$467,481		$467,481		$467,481		$467,481	
Transfer In	$0		$1,400,000		$1,400,000		$1,400,000	
TOTAL REVENUES	$48,945,523		$51,497,679		$51,916,533		$52,340,163	
ESTIMATED EXPENDITURES								
Academic Salaries	$22,250,619		$20,667,180		$20,594,134		$20,611,373	
Classified Salaries	$9,975,322		$8,775,894		$8,859,094		$8,942,294	
Management Salaries	$4,015,458		$3,994,933		$4,023,208		$4,051,483	
Employee Benefits	$11,047,334		$10,285,070		$10,662,083		$11,050,590	
Supplies, Software, Subscriptions	$827,689		$777,689		$777,689		$777,689	
Services and Operations	$6,443,520		$6,093,520		$5,629,454		$5,629,454	
Capital Outlay	$669,427		$669,427		$669,427		$669,427	
Transfers, Reserves	$449,351		$229,700		$229,700		$229,700	
TOTAL ESTIMATED EXPENDITURES	$55,678,720		$51,493,413		$51,444,789		$51,962,010	
ENDING FUND BALANCE	$2,794,688	5.0%	$2,798,955	5.4%	$3,270,698	6.4%	$3,648,852	7.0%

Table 5. Four-year Revenue/Expenditure Projections (unrestricted general fund).

Conclusion

The college has resolved this recommendation and meets Eligibility Requirement 17, Financial Resources, and all related standards. Certified audits are conducted annually, and compliance with Title IV requirements is maintained and verified; documents attesting to this, as well as general information about the state of the College's budget and related plans, are regularly communicated to employees and/or publicly made available on the College website. Overall institutional effectiveness in providing resources sufficient for student learning programs and services is made possible through well-established evaluation, planning, and budget development systems wherein the mission is central. Both short-term and long-term plans that have evolved since the last comprehensive institutional evaluation assure financial stability in both the short- and long-term by considering various scenarios for resource allocation/expenditures.

List of Supporting Evidence

R6-1. One-Time budget Anomalies
R6-2. CTA MOU Retirement Incentive
R6-3. CSEA Early Retirement Incentive
R6-4. Early Retirement Survey
R6-5. Tentative Agreement Summer Compensation and SLO (Ratified 03/10/2015)
R6-6. Tentative Agreement Reorganization of Instructional Departments (Ratified 03/10/2015)
R6-7. BOT Minutes Mar 10, 2015
R6-8. Futuris Earnings Statement
R6-9. CTA's Proposal for Benefits
R6-10. District's Proposal for Benefits
R6-11. CSEA's Proposal for Benefits
R6-12. Total Cost of Operations Taskforce Email
R6-13. 2014 IPEDS Report
R6-14. Consolidated Reports Taskforce Email
R6-15. FCMAT Report
R6-16. Cambridge West, Inc. Report
R6-17. ACCJC Visiting Team Letter July 03, 2014
R6-18. ACCJC Visiting Team Letter Feb 07, 2014
R6-19. Budget Office Webpage
R6-20. Finance Budget and Planning Committee
R6-21. Academic Senate Webpage Program Review
R6-22. Letter from Commission
R6-23. VVCCD-Board-Policy-Analysis
R6-24. Financial Audit
R6-25. District Attorney Report
R6-26. November Budget Report
R6-27. December Budget Report
R6-28. Campus Accreditation Update 01-09-2015
R6-29. Budget Forum